

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

PBI Performance Products, Inc.
Plaintiff,

v.

NorFab Corporation,
Defendant.

Civil Action No. 05-cv-4836-HB

**JOINT MOTION FOR VACATUR OF THE AUGUST 29, 2007 ORDER
INVALIDATING U.S. PATENT NO. 6,624,096 FOR OBVIOUSNESS**

The parties hereby move for vacatur of the August 29, 2007 Order invalidating United States Patent No. 6,624,096 for obviousness. A Proposed Order is attached to the accompanying memorandum as Exhibit A.

For the reasons set forth in the accompanying Memorandum of Law in Support of The Parties' Joint Motion for Vacatur of the August 29, 2007 Order Invalidating U.S. Patent No. 6,624,096 for Obviousness, this motion should be granted.

DATED: 6/9/08

by: 

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Attorney for Plaintiff
PBI Performance Products, Inc.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

PBI Performance Products, Inc.	Civil Action No. 05-cv-4836-HB
Plaintiff,	
v.	
NorFab Corporation,	
Defendant.	

**MEMORANDUM OF LAW IN SUPPORT OF THE PARTIES' JOINT
MOTION FOR VACATUR OF THE AUGUST 29, 2007 ORDER INVALIDATING
U.S. PATENT NO. 6,624,096 FOR OBVIOUSNESS**

The Parties, Plaintiff, PBI Performance Products, Inc, ("PBI") and Defendant, NorFab Corporation ("NorFab"), respectfully submit this memorandum of law in support of their Joint Motion for Vacatur of the August 29, 2007 Order Invalidating U.S. Patent No. 6,624,096 for Obviousness pursuant to Rule 60(b)(6) of the Federal Rules of Civil Procedure.

INTRODUCTION

This Court's August 29, 2007 Memorandum and Order entered summary judgment invalidating U.S. Patent No. 6,624,096 ("the '096 Patent") for obviousness under 35 U.S.C. § 103 (a). PBI appealed the August 29, 2007 Order to the Court of Appeals for the Federal Circuit. During the course of the appeal, the Parties reached a mutual agreement and settled the case. Please see the settlement agreement, attached hereto as Exhibit B. As part of the settlement agreement, the Parties agreed to "file a joint motion for vacatur of the District Court's Summary Judgment order dated August 29, 2007 that invalidated PBI's U.S. Patent No. 6,624,096." See Paragraph 3 of Exhibit B. As a result

of the settlement agreement, the Parties hereby file this joint motion to vacate the August 29, 2007 Order invalidating the '096 Patent for obviousness.

LEGAL STANDARD FOR MOTION FOR VACATUR

Under Rule 60(b)(6) of the Federal Rules of Civil Procedure, a district court has the ability to vacate an order. Rule 60(b)(6) states:

On motion and upon such terms as are **just**, the court may relieve a party or a party's legal representative from a final judgment, order, or proceeding for the following reasons...(6) any other reason justifying relief from the operation of the judgment [emphasis added]. *Fed. R. Civ. Proc. 60(b)(6)*

Thus, the Court may grant a motion for vacatur of an order anytime vacatur is **just**.

The Supreme Court has held that when the parties settle a case, as in the instant case, "[e]xceptional circumstances may conceivably counsel in favor of" vacatur of a judgment. *U.S. Bancorp Mortgage Co. v. Bonner Mall Partnership*, 513 U.S. 18 at 29 (1994).

ARGUMENT

In the leading case on vacatur, *U.S. Bancorp Mortgage Co. v. Bonner Mall Partnership*, the Supreme Court held that when the parties settle a case, as in the instant case, "[e]xceptional circumstances may conceivably counsel in favor of" vacatur of a judgment. *U.S. Bancorp Mortgage Co. v. Bonner Mall Partnership*, 513 U.S. 18 at 29 (1994). The parties have not found any cases in the Supreme Court nor the Third Circuit that have examined the nature of the "exceptional circumstances" required for justifying vacatur of an order.

However, in the Second Circuit, two cases have addressed the nature of the “exceptional circumstances” required for justifying vacatur of an order when the parties settle a case. In *Major League Baseball Properties, Inc. v. Pacific Trading Cards, Inc.*, the Court of Appeals for the Second Circuit held that when “a vacatur of the district court’s order and opinion was a necessary condition of settlement... these facts met the ‘exceptional circumstances’ test of *Bancorp.*” *Major League Baseball Properties, Inc. v. Pacific Trading Cards, Inc.*, 150 F.3d 149 at 152 (2d Cir. N.Y. 1998). In another case, *Microsoft Corp. v. Bristol Tech., Inc.*, the Court of Appeals for the Second Circuit upheld the ruling in the *Major League Baseball Properties* case that “exceptional circumstances” existed when vacatur was a “necessary condition of settlement” and further stated that “[i]n granting vacatur, we observed that ‘the only damage to the public interest from such a vacatur would be that the validity of MLB’s marks would be left to future litigation.’” *Microsoft Corp. v. Bristol Tech., Inc.*, 250 F.3d 152 at 154 (2d Cir. Conn. 2001). Because there is no controlling precedent in the Supreme Court or the Third Circuit regarding the nature of the “exceptional circumstances” required to justify vacatur of an order, the parties urge the Court to follow the precedent set in the Second Circuit.

Following the precedent set in the Second Circuit, the instant case has “exceptional circumstances” that justify vacatur of the August 29, 2007 Order invalidating the ‘096 Patent for obviousness. The parties entered a settlement agreement that included the grant of a “worldwide, royalty-free, paid-up license” to the ‘096 Patent and thus agreed to jointly move to vacate the order invalidating the ‘096 Patent. See Paragraphs 3 and 4 of Exhibit B. Consistent with the reasoning in *Major League Baseball Properties, Inc. v. Pacific Trading Cards, Inc.*, 150 F.3d 149 at 152 (2d Cir. N.Y. 1998) and *Microsoft*

Corp. v. Bristol Tech., Inc., 250 F.3d 152 at 154 (2d Cir. Conn. 2001), the only damage to the public interest from such a vacatur would be that the validity of PBI's '096 Patent would be left to future litigation. Therefore, vacatur of the August 29, 2007 Order invalidating the '096 Patent for obviousness is clearly justified.

CONCLUSION

For the reasons stated herein, the parties respectfully urge the Court to grant the parties' Joint Motion for Vacatur of the August 29, 2007 Order Invalidating U.S. Patent No. 6,624,096 for Obviousness.

Date: 6/9/08

Respectfully Submitted,



Robert H. Hammer, III
Attorney for the Plaintiff
Hammer & Hanf P.C.
3125 Springbank Lane, Suite G
Charlotte, NC 28226
(704) 927-0400

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

PBI Performance Products, Inc.
Plaintiffs,

v.

NorFab Corporation,
Defendants

Civil Action No. 05-cv-4836-HB


CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the parties' **JOINT MOTION FOR VACATUR OF THE AUGUST 29, 2007 ORDER INVALIDATING U.S. PATENT NO. 6,624,096 FOR OBVIOUSNESS** is being served on the following parties as indicated below:

Anthony S. Volpe, Esquire
Volpe and Koenig, P.C.
United Plaza, Suite 1600
30 S. 17th Street
Philadelphia, PA 19103
Via First Class Mail

Date: 6/9/08

Respectfully submitted,



Robert H. Hammer III
Hammer & Hanf P.C.
3125 Springbank Lane
Suite G
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(704) 927-0400 Phone
(704) 927-0485 Fax
Attorney for the Plaintiff

EXHIBIT A

EXHIBIT A
IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

PBI Performance Products, Inc. Plaintiff,		Civil Action No. 05-cv-4836-HB
v.		
NorFab Corporation,		
Defendant.		

ORDER

AND NOW, this _____ day of _____, 2008, upon consideration of the parties' Joint Motion for Vacatur of the August 29, 2007 Order Invalidating U.S. Patent No. 6,624,096 for Obviousness and the accompanying memorandum of law filed by the parties,

IT IS HEREBY ORDERED that the parties' Motion for Vacatur of the August 29, 2007 Order Invalidating U.S. Patent No. 6,624,096 for Obviousness is GRANTED.

DATED: _____

by: _____
Judge Harvey Bartle, III
United States District Judge

EXHIBIT B

SETTLEMENT AGREEMENT

This Settlement Agreement dated April 28, 2008 is by and between PBI Performance Products, Inc. of Charlotte, NC ("PBI") and NorFab Corporation of Norristown, PA ("NorFab").

Background

PBI and NorFab are involved in Civil Action No. 05-CV-04836 before the Eastern District of Pennsylvania, Appeal No. 2008-1107 before the Court of Appeals for the Federal Circuit, Cancellation No. 92045815 before the Trademark Trial and Appeal Board of the U.S. Patent and Trademark Office, and Opposition No. 91183232 before the Trademark Trial and Appeal Board of the U.S. Patent and Trademark Office (together referred to as the "Actions").

On April 28, 2008, PBI and NorFab met for a mediation conducted by the Circuit Mediation Office of the U.S. Court of Appeals for the Federal Circuit and agreed to resolve the Actions on the following terms.

Terms

1. PBI shall pay to NorFab in cash and in kind:
 - (a) One Hundred and Fifty Thousand US Dollars (\$150,000.00) by wire transfer within fifteen (15) days of execution of this agreement;
 - (b) Eleven Hundred Pounds (1,100 pounds) of first quality PBI staple fiber six (6) months after the payment set forth in 1.(a); and,
 - (c) Eleven Hundred Pounds (1,100 pounds) of first quality PBI staple fiber twelve (12) months after the payment set forth in 1.(a).
2. Within ten (10) calendar days of the payment set forth in 1.(a), PBI and NorFab shall file a joint motion with the Federal Circuit to remand to the District Court to request vacatur of the ruling(s) on appeal in conjunction with this settlement.
3. Within ten (10) calendar days of the filing of the Federal Circuit's order granting remand, PBI and

NorFab shall file a joint motion for vacatur of the District Court's Summary Judgment order dated August 29, 2007 that invalidated PBI's U.S. Patent No. 6,624,096.

4. PBI hereby grants NorFab a worldwide, royalty-free, paid-up license to U.S. Patent No. 6,624,096 together with all domestic and foreign counterparts, and all patents and applications of any type claiming priority to or from U.S. Patent No. 6,624,096. This license shall survive until the expiration of the last to expire patent.
5. NorFab:
 - (a) shall not make or sell any firefighter's turnout gear fabric having a gold background and a yellow box grid, as per the attached sample of PBI MATRIX fabric;
 - (b) may make and sell fabrics for firefighter's turnout gear without a yellow box grid, the attached two (2) samples (NorFab's OMNI-ELITE and OMNI-45 fabrics) are examples of such fabrics;
 - (c) may make and sell fabrics having a yellow box grid, such as the attached sample of NorFab's 5 TT 229 fabric, for non-firefighter's turnout gear applications;
 - (d) will withdraw Opposition No. 91183232; and,
 - (e) Will cooperate with PBI to amend the date of first use in U.S. Trademark Application No. 77/055,226, subject of Opposition No. 91183232.
6. PBI and NorFab shall abandon, with prejudice, any and all claims, including attorney's fees and costs, past, present, and future arising from the Actions.
7. Subject to the below paragraph, PBI and NorFab shall maintain the terms of this agreement in confidence.

8. PBI and NorFab shall issue the following statement:

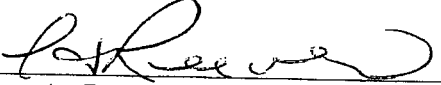
"PBI Performance Products, Inc. of Charlotte, NC and NorFab Corporation of Norristown, PA announce that NorFab's OMNI-ELITE™ and OMNI-45™ fabrics for firefighter's turnout gear do not infringe any of PBI's intellectual property and their dispute over outer shell fabrics for firefighter's turnout gear has been settled by mutual agreement of the parties. The terms of that settlement are confidential."

9. Any disputes regarding this agreement shall be mediated in the first instance by a neutral mediator. Any action to enforce this agreement must be commenced in the U.S. District Court for the Eastern District of Pennsylvania.
10. PBI and NorFab agree that any and all disputes, claims, and the like arising from the Actions are hereby settled with prejudice.
11. This agreement sets forth the entire agreement and understanding between PBI and NorFab relating to the subject matter hereof.

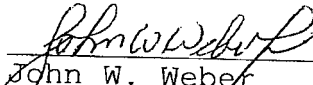
Intending to be bound by the above Terms, PBI and NorFab have instructed their respective authorized representative to affix the respective signatures below.

PBI Performance Products, Inc.

NorFab Corporation



Grant Reeves
President
Date 5-8-08



John W. Weber
President
Date 5/8/08



**GENERAL
PRODUCT
LINE**

SPECIAL
COATED
FABRICS

ALUMINIZED
CLOTH

TACKY
CLOTH

WIRE
INSERT
FABRIC

SYNTHETIC
FABRICS

SEWING
THREAD

BRAIDING
YARNS

TAPES
1/2" TO 8"
WIDE

SPECIAL
TAPE
PRODUCTS

ROPES
SLEEVINGS
GASKETING
WICKING
CORD

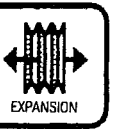
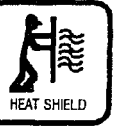
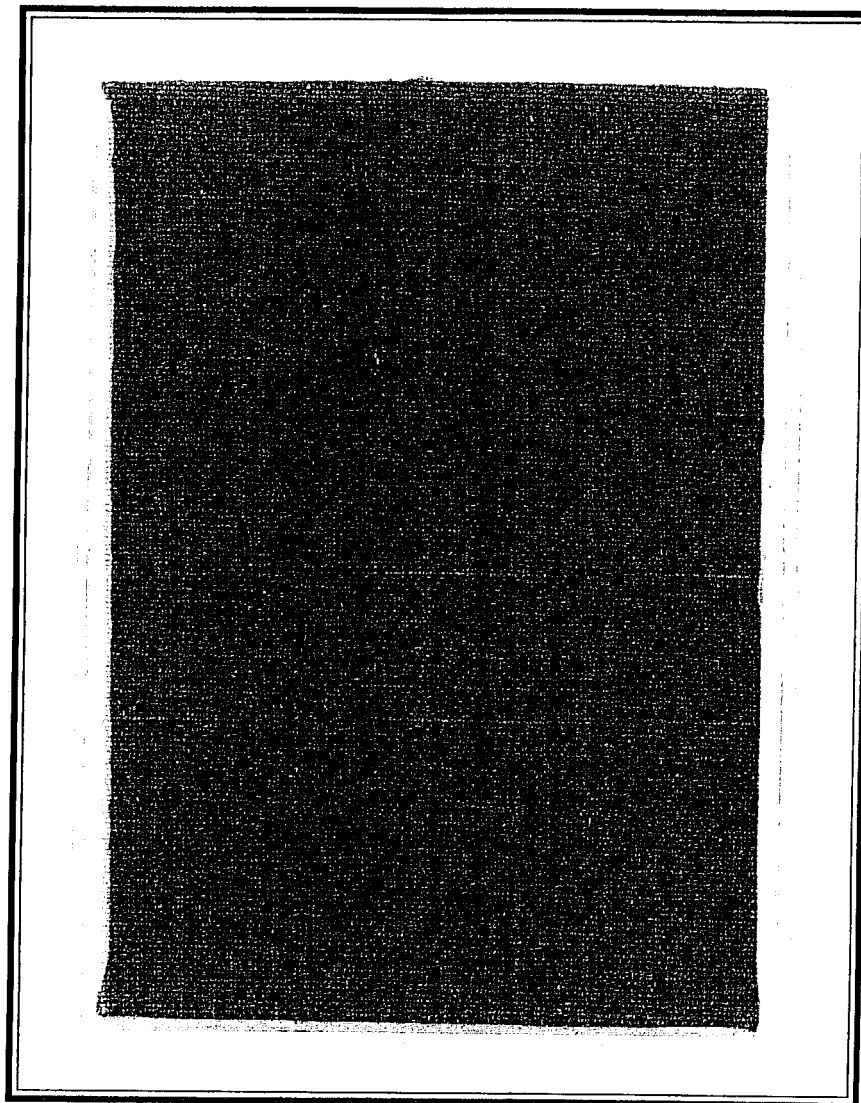
PATENTED
SAFETY
FABRICS

SILICONE
COATED
CLOTH

FABRIC SAMPLE CARD



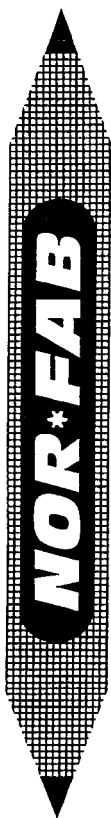
Nor•Fab Series 2700 Basofil® Blend
08PT262-60-41AU, "OMNI 45"™
AU = Golden Brown Color



NOR•FAB Corporation

Box 830 • 1310 Stanbridge Street
Norristown • PA 19404-0830 USA
Phone 800-441-9680 <> Fax 610-277-6106
Phone 610-277-6100

"HEAT RESISTANT TEXTILES"



"OMNI 45"™

NOR-FAB SERIES 7.8.oz. CLOTH
For FIREFIGHTER'S Turnout Gear



MEETS
NFPA 1971, 2007

style 08PT262- -41AU Brown

A NORFAB woven light weight dimensionally stable fabric blend of Kevlar® and BASOFIL® fibers. Applications include safety clothing, curtains, heat shields, and firefighters turnout gear outer shell fabric. Resistant to heat sources, meets NFPA 1971 (2007 edition), FTMS-191-5903 and other standards testing.

SPECIFICATIONS



TESTED BY
UNDERWRITERS
LABORATORY

BASE FABRIC	Para-Aramid and Melamine fiber blend	
AVAILABLE COLORS	AU Brown	
AVAILABLE WIDTHS, standard	40", 60"	(1.0m, 1.5m)
ROLL LENGTH, yards minimum	50	(45.7m)
WEAVE STYLE	Rip-Stop Style	
CONSTRUCTION, ends x picks/sq.in	44 X 36	(17.3 x 14.2/cm)
FABRIC WEIGHT, oz./sq yd, average	7.8	(265 gm/sq.m)
FABRIC THICKNESS, inches	0.026	(0.66mm)
WARP STRENGTH, lbs/in.	315.0	(143.2 Kg/2.54 cm)
FILL STRENGTH, lbs/in.	300.0	(136.4 Kg/2.54 cm)
TRAPEZOIDAL TEAR STRENGTH, lbs., warp x fill	40 x 39 (FTMS-191-5136)	(18.2 x 17.7 Kg)
WATER ABSORPTION, before laundering after 5 laundering cycles	0.0% 0.4% (FTMS-191-5504)	
SHRINKAGE IN LAUNDERING, warp x fill	0.3% x 1.1% (AATCC 135.1.111B)	
THERMAL SHRINKAGE, before laundering after 5 laundering cycles	0.2% 1.1% (AATCC 135.1.111B)	
THERMAL PROTECTIVE PERFORMANCE, cal./sq.cm.	TPP > 49 (35 req'd) See OMNI 45 Brochure	
HEAT, CHAR RESISTANCE	Passes NFPA 1971, '2007 edition	
FABRIC FINISH NUMBER	41, HyPel+ (for water repellancy) + Color	

SPECIFY COLOR

Example: 08PT262-(40" or 60")-41(Color) AU=Golden Brown; BY=Brite Yellow;
Completed Example: 08PT262-60-41BK NA=Natural; BK=Black

NOTE: PLEASE REFER TO NFPA DOCUMENT REFERENCE: 97RT01198 MH25604 dated April 11, 2000 addressed to NOR-FAB Corporation for additional information and certifications.
Basofil®, LLC is a registered trademark.

AB/C

All Data ±10%

NOR-FAB Corporation

"HEAT RESISTANT TEXTILES"

BOX 228, 1032 STANBRIDGE STREET, NORRISTOWN, PA 19404 USA

PHONE 1-610-277-6100 • TOLL FREE 1-800-441-9680 • FAX 1-610-277-6106

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ALUMINIZED
CLOTH

TACKY
CLOTH

WIRE
INSERT
FABRIC

SYNTHETIC
FABRICS

SEWING
THREAD

BRAIDING
YARNS

TAPES
1/2" to 8"
WIDE

SPECIAL
TAPE
PRODUCTS

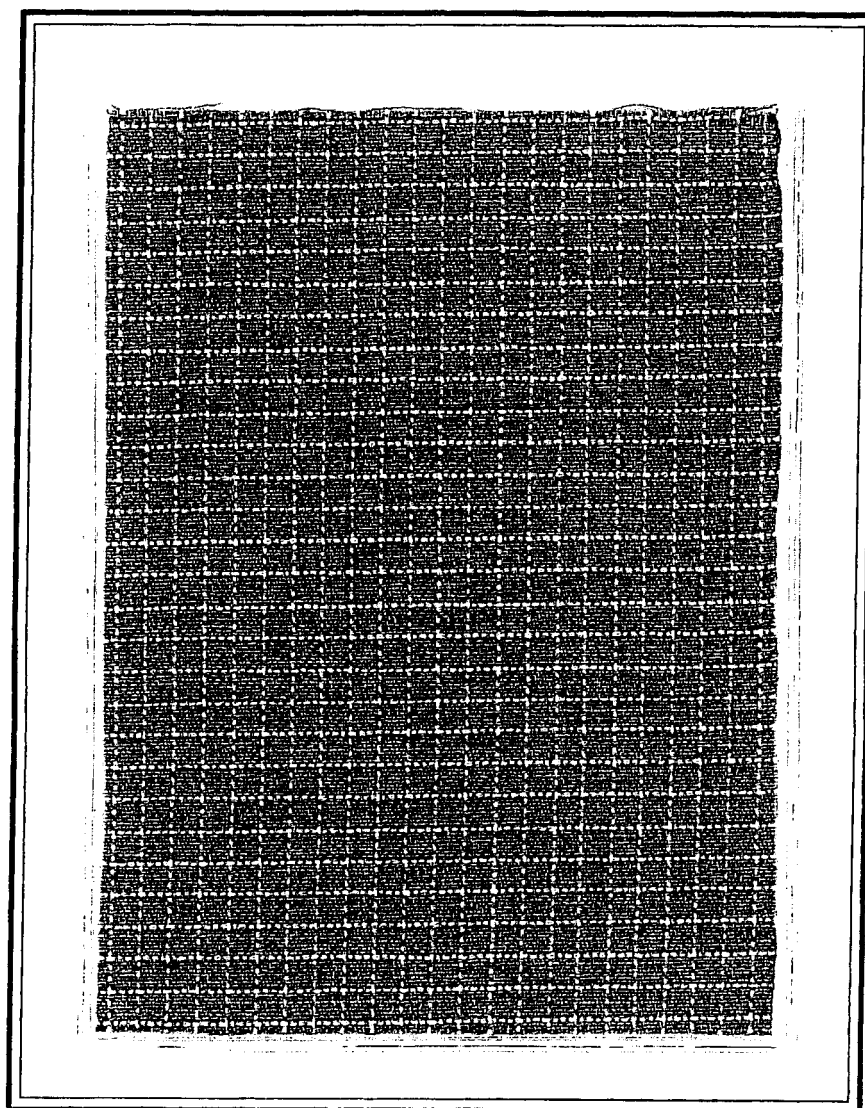
ROPES
SLEEVINGS
GASKETING
WICKING
CORD

PATENTED
SAFETY
FABRICS

SILICONE
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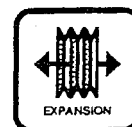
FABRIC SAMPLE CARD

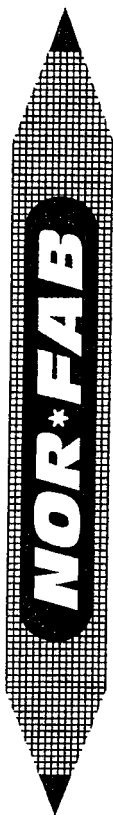
NF SR. 800 Fabric
Style# 5TTZ29



NOR-FAB Corporation
Box 830 • 1310 Stanbridge Street
Norristown • PA 19404-0830 USA
Phone 800-441-9680 <> Fax 610-277-6106

"HEAT RESISTANT TEXTILES"



**05TT229**

PBI-KEVLAR-STAINLESS STEEL
5 oz. SAFETY FABRIC
RIP-STOP

style 05TT229

A NOR-FAB woven special fiber blend light weight fabric containing stainless steel staple fibers. Applications include safety clothing, crash rescue garments, fire entry protection. This fabric is also designed for anti-static applications and is a rip-stop cloth

SPECIFICATIONS

BASE FABRIC	PBI-KEVLAR-Stainless Steel Staple	
COLOR / APPEARANCE	Brown	
AVAILABLE WIDTHS, standard	40"	(1.0m)
ROLL LENGTH, yards	50	(45.7m)
WEAVE STYLE	2 x 1 Twill rip stop	
CONSTRUCTION, ends x picks/sq.in.	66 X 48	(26 x 18.9/cm)
FABRIC WEIGHT, oz./sq yd, average	5.0	(170 gm/sq. m)
FABRIC THICKNESS, inches	0.017	(0.43mm)
WARP STRENGTH, lbs/in.	165	(75 Kg/2.54 cm)
FILL STRENGTH, lbs/in.	135	(61 Kg/2.54 cm)
ABRASION RESISTANCE	Very Good	
TEMPERATURE TOLERANCE	n/a	
BASE FABRIC CERTIFICATIONS	n/a	
COATING	n/a	
CHEMICAL RESISTANCE	n/a	
SOLVENT RESISTANCE	n/a	
SUNLIGHT & AGE RESISTANCE	Kevlar fibers UV sensitive	
ELECTRICAL PROPERTIES	n/a	

AVAILABLE FINISHES

FINISH NUMBER

See FABRIC FINISH OPTIONS data sheet.

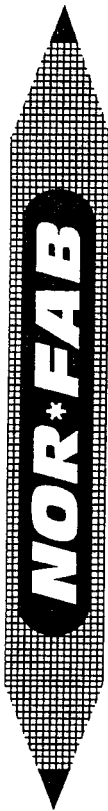
JE/I

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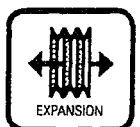
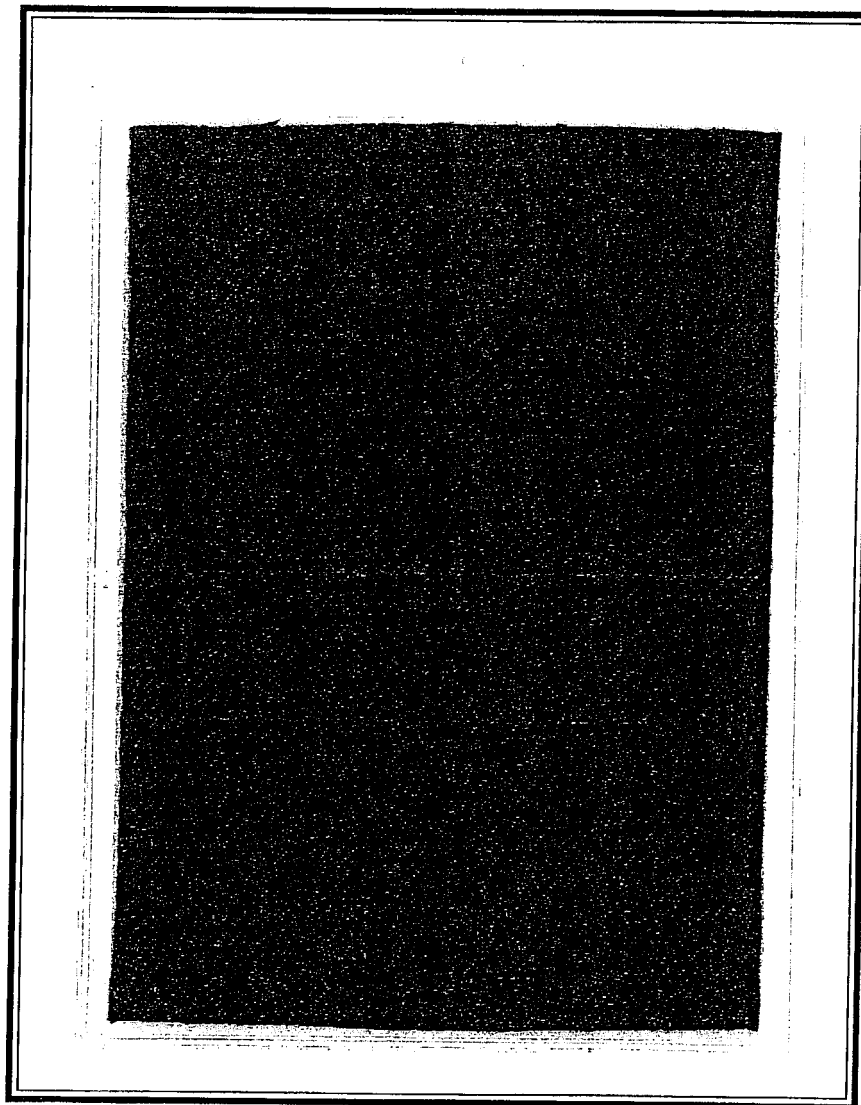
ROPES
SLEEVINGS
GASKETING
WICKING
CORD

PATENTED
SAFETY
FABRICS

SILICONE
COATED
CLOTH

FABRIC SAMPLE CARD

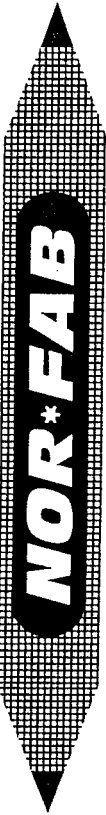
Omni Elite
08TT336-60-51EB



NOR*FAB Corporation

Box 830 • 1310 Stanbridge Street
Norristown • PA 19404-0830 USA
Phone 800-441-9680 <> Fax 610-277-6106
Phone 610-277-6100

"HEAT RESISTANT TEXTILES"



OMNI Elite

NOR-FAB SERIES 2700 7.75 oz. CLOTH
For FIREFIGHTER'S Turnout Gear

style 08TT336- -51EB (Brown Twill Weave)

MEETS
NFPA 1971, 2007 Edition

A NORFAB woven light weight dimensionally stable fabric blend of Kevlar® and BASOFIL® fibers., with Reinforced Rip Stop using Proprietary Core Spinning process- Zylon filament core/Kevlar® sheath. Applications include safety clothing, curtains, heat shields, and firefighters turnout gear outer shell fabric. Resistant to heat sources, meets NFPA 1971 (2007 edition), FTMS-191-5903 and other standards testing.

A Concept fabric for the future

SPECIFICATIONS

BASE FABRIC	Basofil®/Kevlar®/Zylon® (core in rip stop)	
AVAILABLE COLORS	Elite Brown, Brite Yellow, Natural	
AVAILABLE WIDTHS, standard	60"	(1.5 m)
ROLL LENGTH, yards minimum	50	(45.7 m)
WEAVE STYLE	2x2 Twill w/Rip-Stop	
CONSTRUCTION, ends x picks/sq.in	51 X 45	(20 x 17.7 /cm)
FABRIC WEIGHT, oz./sq yd, average	7.75	(263 gm/sq.m)
FABRIC THICKNESS, inches	0.027	(0.69 mm)
WARP STRENGTH, lbs/in.	224.0	(102 Kg/2.54 cm)
FILL STRENGTH, lbs/in.	211.0	(96 Kg/2.54 cm)
TRAPEZOIDAL TEAR STRENGTH, lbs., warp x fill	44 x 40	(20 x 18 Kg)
AFTER 5 CYCLES, lbs, warp x fill	41 x 42	(18.6 x 19 Kg)
	(FTMS-191-5136)	
WATER ABSORPTION, before laundering	1.5%	
after 5 laundering cycles	4.7%	
	(FTMS-191-5504)	
SHRINKAGE IN LAUNDERING, warp x fill	+0.5% x -2.5%	
after 5 laundering cycles	(AATCC 135.1.111B)	
THERMAL SHRINKAGE, before laundering	-0.5%	
after 5 laundering cycles	-0.7%	
	(AATCC 135.1.111B)	
THERMAL PROTECTIVE PERFORMANCE, cal./sq.cm.	TPP >46 (35 req'd) See OMNI Elite	
HEAT, CHAR RESISTANCE	Will Pass NFPA 1971, 2007 edition	
FABRIC FINISH NUMBER	51, (for water repellancy) + Color	

SPECIFY COLOR

Example: 08TT328-60"-51(Color)

Completed Example: 08TT336-60-51EB

EB=Brown; BY=Brite Yellow;

NA=Natural;

NOTE: PLEASE REFER TO NFPA DOCUMENT REFERENCE: 06RT03532 MH25604 dated October 31, 2006 addressed to NOR-FAB Corporation for additional information and certifications. Basofil®, LLC is a registered trademark.

AH/M

All Data ±10%

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